

# SENATE BILL No. 125

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 27-2-24.

**Synopsis:** Property or casualty insurance coverage of innocent coinsured. Prohibits certain actions by a property or casualty insurer with respect to an innocent coinsured, including denying payment on a claim and refusing to issue or renew a policy.

**Effective:** July 1, 2015.

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January 6, 2015, read first time and referred to Committee on Insurance & Financial Institutions.

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First Regular Session 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

## SENATE BILL No. 125

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 27-2-24 IS ADDED TO THE INDIANA CODE AS  
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2015]:

4 **Chapter 24. Coverage With Innocent Coinsured**

5 **Sec. 1. This chapter applies to a policy of property or casualty**  
6 **insurance that is entered into, amended, or renewed after June 30,**  
7 **2015.**

8 **Sec. 2. As used in this chapter, "innocent coinsured" means an**  
9 **individual who:**

10 (1) **is insured under a policy of property or casualty**  
11 **insurance;**

12 (2) **did not cooperate in or intentionally contribute to a**  
13 **property loss that was caused or arranged by an individual**  
14 **who is also insured under the policy of property or casualty**  
15 **insurance;**

16 (3) **signs a sworn affidavit attesting that the individual did not**



1 cooperate in or intentionally contribute to the property loss;

2 and

3 (4) cooperates in:

4 (A) the investigation and resolution of the claim for the  
5 property loss;

6 (B) any police investigation related to the property loss;  
7 and

8 (C) any criminal prosecution of the individual that caused  
9 or arranged the property loss.

10 Sec. 3. As used in this chapter, "insurer" means an insurance  
11 company that issues or delivers a policy of property or casualty  
12 insurance.

13 Sec. 4. As used in this chapter, "property or casualty insurance"  
14 means a type of insurance described in Class 2 and Class 3 of  
15 IC 27-1-5-1. However, the term does not mean insurance described  
16 in Class 2(a) of IC 27-1-5-1.

17 Sec. 5. (a) An insurer may not deny, exclude, or limit payment  
18 of a claim made:

19 (1) by an innocent coinsured;

20 (2) for coverage of a property loss; and

21 (3) under a policy of property or casualty insurance.

22 (b) This section does not require an insurer to make payment on  
23 a claim that is:

24 (1) greater than the extent of the innocent coinsured's interest  
25 in the property; or

26 (2) beyond the limits of coverage under the policy of property  
27 or casualty insurance.

28 Sec. 6. An insurer may not:

29 (1) refuse to renew;

30 (2) refuse to issue; or

31 (3) add a surcharge or rating factor to a premium for;  
32 a policy of property or casualty insurance solely on the basis that  
33 an insured or a prospective insured under the policy of property or  
34 casualty insurance has been an innocent coinsured.

